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preserve every grain and the stalks and straw as well. Then the winter wheat land is planted in soybeans and corn. The farmer and his family may then slacken their pace, but not for long, for autumn brings the harvest of the summer crops, the fall plowing and then the planting of winter wheat. 221

Autumn, too, is the traditional time for the tax collector to appear with his demands for taxes in money or in kind.[3] And, before the Communist abolition of tenancy, it was the time when the landlord was given a portion of his share of the crop. If the weather had been favorable and the tax gatherer was not unduly rapacious, the farmer might retain enough grain to see his family through to the next harvest. If things had gone badly, a grim winter season lay ahead. Winter was in any case the time for repairing farm implements, weaving thatch, repairing buildings, spinning and weaving rough cloth, and other household chores. With the approach of the New Year the farmer might look forward to some festivity, perhaps to slaughtering the family pig; if debts loomed large, the pig might have to be sold to help.[4] 221 651

The farmer's life south of the Yangtze is similarly dominated by the need for the most intense toil throughout the year if his tiny plots of land are to support him and his family. Rice sets the rhythm

3. The tax rate was high. The average land tax in 1929-32 was US$1.79 as compared with $0.46 for all farm land in the United States in 1932. Cf. Olga Lang, Chinese Family and Society, New Haven, 1946, p. 69.

4. J. L. Buck's study of 16,786 farms showed that 39 per cent of these were in debt in the period 1929-32. Cited in Lang, op. cit., p. 69.

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and dominates the economy. Much of the rice culture of this area is on level plains, but in recent years the terraced fields have been pushed higher and higher up denuded mountains and hillsides. In the early spring, after the New Year, the farmer brings up his rice plants in nursery beds near the farmhouse. Then he prepares his fields by plowing and removing, in some areas, his winter crop stubble. Fertilizer is carefully spread over the ground, and then water is admitted; when the water reached a certain depth, the ground is carefully harrowed. The ground is now ready for the transplating of the young rice from the nursery beds, and this backbreaking job, done while crouching in the water, completes the Spring work. Save for repeated cultivating and trampling of weeds, the farmer has an easier life during the ripening of the grain. As the grain ripens, the fields dry, and at last it is harvest time. The harvesting and threshing are again the work of all available hands and are done with primitive implements. The harvest in, the farmer must deal with the tax collector and then ready his fields for the winter crops; in some parts of the Central-South Region, this may be winter wheat and rape; in others two or three rice crops are produced in a single agricultural year. The rice farmer, like the wheat farmer of the north, uses winter for work on tools, handicrafts, repairs, and the women of his family may carry forward their raising of silk worms, spinning and weaving of silk. In other areas, tea is an important supplement to rice agriculture.[5]

B. Annual Festivals

The farm year, toilsome in north and south alike, is punctuated by other activities and festivals which relieve some of the monotony of the long seasons of

5. On the agricultural year cycle, see excellent description in Gerald Winfield, China, The Land and The People, New York, 1948, pp. 34-61.

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instance, is required to attend meetings, enroll in winter or night schools, and participate in other group activities prescribed by the government. He must accept Party counsel on how to lead his daily life and how to spend his money. These impositions are time-consuming and irritating to those who must endure them.

Labor discipline controls all working hours. Any violation of discipline may provoke servere penalties. Technical schools, cultural classes and other group activities have been arranged for every worker. Since most workers hold membership in a number of Communist-led organizations, such multiple obligations leave them little leisure time, and their days pass in weariness and discontent.

2. Tax Burden and Business Restrictions

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In the rural districts, the Communist San Ting Policy, formulated at the end of 1953, fixes quotas for farm production, purchasing, and marketing. This policy has aroused resentment. Measures which regulate the sale of farm surplus products -- mainly rice and cotton -- to the centralized market, also meet resistance. But the measure which has provoked the most discontentment among the farmers is "deduction for services rendered by the government to the farmers." During the conversion of the old currency, the Communists in Kwangsi Province admitted that nine deductions were imposed on income.[34] These deductions included shares for the credit co-operatives, shares for the supply and marketing co-operatives, repayment of loans, bond subscriptions, and other items.

34. People's Daily, Peking, March 3, 1955, p. 3.

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The businessmen do not fare any better. Sale, purchase, sources of supply, and market outlet are regulated and controlled. Government bonds must be purchased, and exorbitant taxation has been imposed. Trapped by restriction and taxation, many businessmen have been forced to abandon their enterprises. The general atmosphere is certainly not conducive to public confidence in the government.

3. Compulsory Services

The Communist government frequently drafts rural workers for public labor. For major irrigation projects, even farmers in distant areas are mobilized. The Ching River flood control project in Hupeh Province, for example, enlisted almost 200,000 "voluntary workers" from Central-South China.[35] To maintain a militia for emergency services, the government requires the young peasant to receive training in his spare time. When he is formally inducted into the militia, he is assigned to patrol the key centers in the village, guard and help to ship government grain, assist in combatting bandits, and take part in group activities organized for militia members.

A parallel scheme is instituted for urban residents, requiring them to render certain services in the areas of their residence. They must attend meetings and stand ready to be called for patrol duties. During 1951-53,[36] citizens of Wuhan were ordered to patrol the streets at night.

35. Yangtze Daily, March 30, 1952, p. 1.

36. Ibid., March 4, 1953, p. 3.

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production in Central-South China after "land reform" are the small size of the average farm and the inefficiency of its cultivation. In the pre-Communist days, the most efficient farmers were usually "rich peasants" and some of the "landlords." After "land reform" these people were virtually eliminated. The numerous poor people in the rural communities who were not professional farmers, such as members of the families of "revolutionary martyrs" of the liberation army and the unemployed, were usually allotted a piece of land. On account of their inexperience in farm work as well as lack of capital with which to buy farm tools, the majority of them could not efficiently cultivate their lands, and their failure became one of the important factors which hinder the increase in agricultural production. The next step, which the Chinese Communists copied from the Soviets, is "collectivization". of farms. This drastic change hinders the efficiency of the peasants, for it is contradictory to the traditional pattern of the Chinese farm, and will be met by strong opposition. The announcement of a temporary halt to the co-operative movement in 1953 was probably due to peasant opposition. There is a question whether this basic weakness will be remedied in the years to come.

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After "land reform," the burden of the peasants was actually increased instead of lightened. In the case of the grain-tax collection, although its provisions were concealed, the amount the farmers paid was

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much higher in the newly liberated areas, including the Central-South Region, than the amount the Communists reported officially. For example, Nan Han-ch'en, former director of the People's Bank of China, reported: "The direct burden of an individual farmer comes to about 80 catties (88 pounds) of grain. In addition to this, he also shares the tax burden which his particular village has to bear. Sometimes his total burden may reach 100 catties. The maximum amount of farm yield per peasant is 450 catties. The rate of the public grain levy is fixed officially at from 18 to 20 per cent, but actually it may reach 20 to 25 per cent. In individual cases it may exceed 50 per cent."[36] Besides this official grain-tax collection, there are compulsory purchases of grains under the "planned purchase and planned supply" program, at a rather low fixed price, and, in addition, numerous deductions are made from the sale of grains to the government without the consent of the farmers. It was reported that in one of the agricultural producer's co-operatives, where a year-end distribution of net income is made to members, the following items were deducted: (a) 2,000 yüan (20 million old currency, US$833) for the shares of the credit

36. Hsiao Chih-yung, Revenue and Disbursement of Communist China, Hong Kong, 1954, p. 36. The statement of Nan Han-ch'en was taken originally from Shanghai Industry and Commerce Magazine, Vol. I, 11th and 12th issues.

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co-operative; (b) 130 yüan (1.3 million old currency, US $54) for the shares of the supply and marketing co-operative; (c) over 700 yüan (7 million old currency US $291) for bond subscription; (d) and over 12,000 yüan (120 million old currency, US $5,000) for repayment of agricultural loans.[37] After deducting these items, there was almost nothing left for peasants. That means that these peasants worked for nothing, at the expense of their total-year labor and their capital invested. Consequently, exploitation by the Communist regime is harsher than that endured under the former "landlords."

The preferential treatment of the "landlords" of the overseas Chinese families in Kwangtung Province is, evidently, a departure from the original Land Reform Law which has been applied throughout the Central-South Region. A law once promulgated must be enforced without discrimination, but the Communists, in order to win popular support from the overseas Chinese, have changed the law by conceding overseas Chinese more favorable treatment than that given other "landlords." In consequence, reports of preferential treatment will lead to more discontent and opposition in the rural areas of Central-South China.

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37. Far Eastern Economic Review, Hong Kong, Vol. XVIII, No. 25, June 23, 1955, pp. 781-82.

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In the discussion that follows, we shall examine 652
at length some phases of Communist China's fiscal policy during the first five years of occupation of Mainland China. They include the agricultural tax the taxation on commerce and industry, and government bonds. As will be seen, the revenues discussed are all recurrent in nature. No attempt has been made to study such non-recurrent levies as those imposed during the Five-Anti Campaign. Because of the nature of these impositions, it is not likely that these measures can be successfully used again in the near future.

II. URBAN TAXATION

In Communist China, the core of urban taxation 651
has consisted of the business tax, the tax on business income, and the commodity taxes.

None of the trio is new in China. Under the Nationalist Government. the business tax was collected as a local tax, the tax on business income was a part of the income-tax system, and the commodity tax constituted one of the main revenues of the Nationalist Government.

Under the Communist Government, all these taxes were drastically reorganized, apparently under the influence of the Russian tax system. From 1949 to date, the system of urban taxation has already undergone several important changes. Its history, which may be divided into two stages, covers the period from January 1950 to December 1952.

During the first period, the industrial and commercial tax constituted the greater part of urban taxation. The tax was a composite levy consisting

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of an impost based on gross turnover and another on net taxable income. The "business tax," was collected on the basis of a proportional rate schedule. While the tax rates remained constant regardless of how the amount of the tax base changes, they varied according to the nature of the business or industry. The rates on manufacturing industries, for instance, were in general higher than those on undertakings where business consisted only of sales of services (such as public utilities, professional services, hotel services, insurance, banking, etc.). For undertakings deriving their income in the form of commission (such as trade agents, etc.), the rates of business tax were much higher than those of any other businesses previously mentioned.

In addition, the tax rates varied according to the nature of the commodity produced or handled by the taxpayer. Those who deal in such commodities as are essential to the national economy are liable to a lighter tax than those who are associated with the production of non-esssential commodities. The business-tax rate on the production of cigarettes, for instance, was much higher than the rate applicable to the iron and steel industry.

The characteristics of the income-tax system, which was used early in the Communist regime and is still in effect, may be summarized as follows:

A. Like the system in Soviet Russia, the income-tax system in Communist China consists of a series of income taxes applicable to different types of income. Besides the agricultural tax, which may be considered as an income tax or agricultural income, there are income taxes on business profit derived from the earnings of business enterprises and on interest derived from bank deposits. Wages and

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salaries, however, are not subject to tax. Because of the disappearance of landlords under the Communist system, the tax on rent income is non-existent in the tax system of Communist China.

B. Like the Soviet system, there is more differentiation in the Chinese income tax than in the system commonly used in the West. There is, for instance, the differentiation in favor of military or industrial "heroes," and of earnings from industries against earnings from commercial undertakings (particularly those derived from services, such as commissions, etc.).

C. The progressive rates used in the Chinese income tax are applied on the entire taxable income rather than progressively by income brackets.

D. Inventory valuation for income-tax purposes is computed on the basis of the historical cost. This apparently means an unduly heavy tax burden on taxpayers at the time of rising prices.

E. Depreciation charges are computed on the basis of either the straight-line method or the method of constant percentage. In either case, the income tax will mean, under the condition of rising prices, a tax to be paid out of capital as well as current income rather than a genuine tax on income.

After December 31, 1952, the "tax on commodity circulation," or turnover tax, was introduced. This new tax is a composite levy consisting of parts of former commodity and business taxes In many respects, it is also reminiscent of the turnover tax of the USSR. The introduction of the turnover tax brought

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changes in the system of urban taxation in Communist China. In the place of former commodity and business taxes, the turnover tax is applicable to the following 22 commodities: rolled tobacco, tobacco leaf, wine, wheat flour, furs and hides, cotton yarn, matches, phongraph records, acid, salt, chemical fertilizers, paper newsprint, rubber tires, cork, cement, glass plates, metal and metal products, pig iron, coke and its products, and minerals oils and their products. After paying the turnover tax, producers and dealers in these commodities will be subject to no other commodity or business taxes so long as they circulate within the national boundaries of China. The exemption, however, does not apply to the custom duties if they are to be exported or to the income taxes to which such producers are liable. Nor would the payment of a commodity tax on raw materials exempt a product manufactured of such material from commodity tax, if the product itself were a taxable commodity.

Instead of the payment of tax as a product leaves its factory, or additional tax as each business transaction occurred, as was the case of the old commodity tax, the collection procedure of the turnover tax varies according to the nature of the commodity subject to tax. In the case where the sales are to be handled by government agent, the turnover tax is payable when the commodity is sold or transferred from its producers to such a sales agent. In the case where the sales are made by the manufacturer's own agent, the tax is payable at the first sale of the commodity at the wholesale level, or its transfer from producer to the sales agent. In the case where the sale of product is handled by neither a government agent nor

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its producer, but by the producer himself, the tax is payable at the time when the product leaves the hands of its producer. In the case where the taxable product is not for sale, but for further processing or use in some other department of the producing factory, the turnover tax is payable when the commodity leaves the producing department. In the case of forestry products, the tax is paid by the purchasers at the time when the products are being shipped from their point of origin. In the case of an imported commodity, the turnover tax is collectible by the customs together with customs duties at the point of import. In the case of an export commodity, the ta x is collectible at the time of export.

Which of the above-mentioned procedures of collection is to be applicable to a given commodity is to be decided by the government and not by the taxpayer himself.

Since the turnover tax is to displace both the commodity and business taxes, its rates are higher than those of either of these old taxes. The turnover tax rate on wheat flour has been raised to 10 per cent as against a rate of 3 per cent according to the old commodity tax. The new rate applicable to cotton yarn is 22 per cent as compared to 12 per cent charged in the old commodity tax. With the exception of the turnover tax on beer, which is a specific levy, the levy on all other commodities is collectible on an ad valorem basis.

Many changes other than those mentioned above are made in the business taxation following the institution of the turnover tax. Among such changes, the following changes are probably the most important.

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Under the new regulations, all the commodities produced within the country and not subject to commodity or turnover tax as previously explained are liable to three business taxes -- one at the level of production, one at the wholesale level, and another at the retail level. All those subject to commodity or turnover tax are liable to two business taxes at the wholesale and retail levels. These regulations will be applied regardless of whether a commodity transaction is an inter-firm sale or merely an intra-firm transfer. As a result of these modifications all the advantages of vertical combination, which were ample under the old system, are eliminated.

Before the tax reform in 1952, all the business taxes at manufacturing, wholesale, and retail levels were payable after the completion of the business transactions. After 1952, the business tax became applicable only to the transactions of those commodities to which the new turnover tax does not apply. But, instead of collecting the tax after the completion of transactions, producers of such commodities are required, in addition to their own tax liabilities, to advance the tax payable by wholesale dealers to whom the products are sold. Such advances are later to be repaid by the wholesale dealers to the producers. Thus, under the new law, the business tax on the wholesale dealer becomes collectible before rather than after the relevant business transactions are effected.[1]

In the case of the commodities subject to turn-

1. Cheng Ch'u-yuan, Chung-kung Ts'ai-ching Cheng-ts'e Hsin Tung-hsiang [The New Tendencies of the Chinse Communist Financial Economic Policies], Hong Kong, 1953, pp. 73-77.

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over taxation, all the business taxes on retailers, 651 •
under a similar arrangement, are to be advanced by wholesale dealers. The turnover tax and the changes in business tax therefore not only result in speeding up the collection of business tax, but also, through the concentration of tax collection at production and wholesale levels, reduce substantially the cost of tax administration.

The stamp tax and all surtaxes attached to the business tax under the old system merged under the new regulation with the business tax. Under the new system, the rates of business tax fall into three categories: those for commercial undertakings, those applicable to industries, and those applicable to incomes derived from sales of personal services. For the cases where the old rates fell within the range of 1 to 3 per cent a new rate of five per cent is used. For the cases where the old rates ranged from 4 to 6 per cent, an additional one per cent is added in the new rate schedule. For the cases where the old rates ranged from 8 to 10 per cent, an additional two per cent is added to form the new schedule. For the cases where the old rates ranged from 12 to 15 per cent a flat rate of fifteen per cent is used.

Besides the institution of the turnover tax and the changes in business tax mentioned above, there are also important modifications in the system of commodity tax. Among these are the following adjustment.

Twenty-two of the commodities formerly subject to commodity tax are under the new regulations subject to the turnover tax.

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Fifteen new items are included in the modified system of commodity tax; among these new commodities, the most important item is foodstuffs. In the place of the old transaction tax, the foodstuffs under the new system are subject to a commodity tax.

Several silk textile products which were formerly subject to commodity tax are now exempted from the tax. In addition, several other minor adjustments in commodity classifications have also been made with a view to simplifying tax administration.

In the place of market price, commodity taxes under the new system are assessed on the basis of the relevant wholesale prices as quoted by government sales agents. For the commodities for which government quotations are not available, the market price is used as the basis of the tax assessment. Under the old system, the commodity tax was assessed by the means of the following formulas:

$$\frac{\text{Market price}}{1 - \text{Tax rate}} = \text{Price subject to tax}$$

The price subject to tax X Tax rate = The amount of tax

The purpose of using these formulas was to avoid the inclusion of tht tax in the price upon which the commodity tax rate is to be applied. Under the new system, the commodity tax rate is applicable directly to the price quoted by government enterprise, and the price includes the cost of tax. The commodity tax assessed on this basis is apparently higher than that which was derived from the old formula..

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Other important changes in the system of urban taxation effected at the end of 1952 are as follows: 651

A part of stamp duties were transferred to be collected as turnover tax, commodity tax, or tax on butchery.

The business taxes and stamp tax payable by butchers merged under the new system with the butchery tax.

The transaction tax of foodstuffs is being collected in a new system of commodity tax. The transaction tax on cotton was combined under the new system with the turnover tax on textile products.

All the levies on real estate merged into one tax on real estate.

It is clear that one of the objectives for tax reform in 1952 was to transfer, wherever it was feasible, all the old taxes on gross business receipts, the commodity taxes, the transaction taxes, stamp duties etc., into the newly instituted system of turnover tax. In the cases where such transfers are not practical, these levies are collected as much as possible under the system of commodity taxes. Only in the case where neither transfer is feasible do the old taxes on business or turnover continue to exist. Whenever conditions permit, the regular tax and surtaxes imposed by local authorities are consolidated into one single tax. In the case of turnover tax, collections are made, as far as it is administratively feasible, at the wholesale level or at the time when the taxable commodity leaves the hands of its producer. The main purpose for effecting successful reforms is to reduce the cost of tax collection and to improve the efficiency of its administration.

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There is little change in the system of income tax. 651

III. AGRICULTURAL TAX

In Central-South China, the system of agricultural tax is rather simple in comparison with that used in East China. Since no part of this region has been considered as the so-called "old liberated" area, only the agricultural tax designed for the "newly liberated" area with land reform and that for a similar area without land reform have been used in Central-South China.[2]

In the areas where the land reform campaign has already been completed, the features of the tax system may be summarized in the following manner.

All the agricultural taxes have been collected in kind.

The tax has been assessed on the basis of so-called normal production, regardless of what the actual production is. This system not only greatly simplifies the tax administration, but also stabilizes the government revenue from agricultural tax regardless of actual production. It relieves the government from the possible adverse effects upon its revenue of year-to-year fluctuations in agricultural production, and leaves that burden to farmers.

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2. Hua-tung Ch'u Ts'ai-cheng Ching-chi Fa-ling Hui-pien [Compilation of Laws and Regulations Concerning Finance and Economics in East China], Peking, 1951, Vol. I, pp. 291-306; New China Monthly, July 25, 1951, pp. 676-77; Cheng Chu-yüan, op. cit., pp. 48-69.

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The progressive tax rates are applicable to cases where the production, reckoned in terms of the land's main crop, exceeds an average of 150 kilograms per capita. The amount of per capita production is determined by dividing the total production of the entire household by the number of recognized farm hands in the household. The rates applicable to forty separate income brackets range from 3 per cent on an annual production of from 150 to 190 kilograms per head to 42 per cent on an annual production exceeding 3,410 kilograms per capita.

Besides the variation based on production, the tax rates vary also on the basis of the following factors: (1) the production of a landowner who tills his own land, with or without employing assistance, will be counted toward taxable income at par; (2) the production of a farmer who does not own his land is taxed on the basis of 80 per cent of his actual production. On the other hand, a landowner who does not till his own land but derives income from leasing it to others has to pay a tax on the basis of 120 per cent of the actual production; and (3) veterans, Party workers, and all those who make any "special contribution" to the country may be counted as farm hands in reckoning the per capita production, even though they do not actually work on the farm.

The general features of the system of agriculture tax applicable to the newly liberated areas without land reform are very smilar to those used in the areas with land reform. There are, however, important differences between the rate structures used in the two types of agriculture tax. First, the rates for the area with land reform ranged from 7 to 30 per cent as against 3 to 42 per cent in the case

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of the other system. Secondly, the proportional rate of 30 per cent becomes effective when the per capita production, reckoned in terms of the main crop produced on the land subject to tax, eceeds 1, 950 kilograms a year. In the system for the areas without land reform, the proportional rate of 42 per cent is used for production exceeding 3, 410 kilograms. In both cases, an initial exemption of 150 kilograms is used. In other words the income range within which progressive rates are operative is much shorter in the areas which have land reform than those without it. Thirdly, the agricultural tax rates for the areas with land reform would be higher than the corresponding rates for the areas without land reform if the per capita production were lower than 1, 000 kilograms. The reverse is true of the cases where the per capita production exceeds 1, 000 kilograms

It is clear from previous comparisons that, after the completion of the land reform campaign, both the range and the degree of the agricultural tax have been reduced as compared with the rate schedule applicable to the areas without land reform. One possible argument for adopting this policy is that, by reducing the rate of increase of the tax, agricultural production may be encouraged. Another possible explanation is that, after the completion of land reform, the inequality in the distribution of farm income tends to disappear. For this reason it becomes feasible to reduce the rate of increase so that tax administration may be simplified.

Whatever the reason may be, the fact is that, as a result of land reform, low-income farmers tend to pay a higher tax and high-income farmers a lower tax.

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As became the experience in other regions, in Central-South China the most common difficulties that have been encountered in implementing the agricultural tax include the following:

The lack of reliable productionstatistics and other relevant production data concerning agricultural production makes it necessary to have recourse at times to such arbitrary measures as "democratic assessments," which means simply an assessment on the basis of the opinion of a specially appointed committee consisting of persons supposed to be familiar with the financial condition of the taxpayer. More often than not, such assessments have little or no bearing upon the ability of the taxpayer to pay the tax.

Difficulties arising from the lack of reliable statistical data, of course will gradually decrease as more information concerning rural economy is assembled and the various "norms" of taxation are established

Another important difficulty encountered in implementing the agricultural tax arises from the system of collection in kind. Reports from China seem to indicate that this system of tax collection has caused a great hardship among the taxpayers, for under the system they have to bear not only the tax but also the cost involved in transporting the tax-in-kind to designated points where the commodities are being assembled by the government.[3]

3. Wu Tan-ko Chung-kuo Nung-yeh-shui Wen-ti, [Problems of Chinese Agricultural Taxation], Shanghai, 1952, p. 43.

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The agricultural tax is assessed on the basis of the gross income, taking little or no account of the cost involved in production. The system, if strictly enforced, will necessarily result in discouraging such improvements as the use of chemical fertilizers, the use of irrigation systems, etc. Chemical fertilizers have been more commonly used in many parts of Central-South China than in other parts of the country. Failure to allow for such costs of production in the tax system will necessarily mean discouragement to those who are making such improvements in their production.

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In assessing the agricultural tax both for the regions with land reform and for the areas without land reform, the tax rates progress on the basis of the total income rather than by bracket. This could mean in some cases a payment of more tax by a taxpayer with less income than by one with more income.

IV. GOVERNMENT BONDS

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In 1950, 100,000,000 fen (one fen or unit was worth approximately US$.75) of the Victory Bonds issued at 30 per cent or 30,000,000 fen, were allocated for subscription in Central-South China.[4] This quota is equivalent to two-thirds that of East China, and is twice as high as that of North China. This comparison seems to indicate that the burden of the government bond was relatively lower in North China than in either East or Central-South China.

V. REMITTANCES FROM ABROAD

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One phase of the financial policy of the Chinese People's Government that has a special bearing

4. Tu-pao Shou-ts'e [Newspaper Reading Handbook], Hankow, 1950, p. 384.

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C 175 631 563 M *175 631 *648 425 C M [701] C [651] ● [651] C 65 175 631 563 M *175 631 *648 622 M [113]

the Miao were greatly impressed by the strength of the Imperial army and surrendered land previously forcefully occupied by them. Also it would seem that if there was property of refractory Miao; it was confiscated. The fields were distributed among the law-abiding Miao to plant and pay rent, so that a Miao army could be raised and supported. Now the usurped land surrendered in the various villages totals more than 30,100 mu, and the land confiscated from the property of the rebel Miao totals more than 5,040 mu. These are now being separately registered, distributed for tilling for rent, and the revenues derived therefrom should be able to support 5,000 Miao soldiers. Among the 9,900 native Miao soldiers discharged over time and remaining, those able to bring up a plan to make a living have been sent back to their villages, and those who are old, weak, and poor have been given fields to till. Now 5,000 strong and healthy Miao soldiers have been selected, 2,000 of whom come from Feng-huang sub-prefecture; 800, from Kan-chou sub-prefecture; 1,800 from Yung-sui sub-prefecture; 100, from Ku-chang-p'ing sub-prefecture; and 300, from Pao-ching hsien. To collect the grain given over as rent, the Miao petty officers have selected in the various villages spots for building granaries to store away the public grain. Two or three honest Miao officers are chosen for each granary to supervise receipts and disbursements of the grain. The said 35,000 mu of arable land is estimated to be capable of yielding more than 22,000 shih of seeds of grain. It is estimated that there remain in various Miao granaries about 40 shih of seeds of grain, which will be used to fill the need for rations for the Miao soldiers in the intercalary month. The Miao officers are still ordered to report the actual receipts of rent grain every year." (1)

1. "Chün T'un" in Hunan Miao Fang T'un Ch'eng Kao /Study of the Administration of the Defense T'un of the Miao Area in Hunan/, Vol. 5, pp. 56-57.

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000 empty, and there was fear that the fierce Miao would start a
C rebellion. At this time Fu Nai of Yüan-ch'en tao met with
175 Brigade General Fu Chih-na of Chen-kan Chen and summoned
563 together people of the sub-prefecture to discuss a long-range
701 plan. And so they began the t'un system of defense. Fields
●651 were allotted to feed the fighters and to defend the guard houses
425 against the Miao. As for the people's /i.e. Chinese/ land, except for fields for sustenance, a male could retain three tou of grain, a woman one tou. As for the rest of the land seven were allotted while three were retained, for one shih of grain three tou was personally retained, and seven tou given up for
C allotment, to feed the fighters and guard the frontier. In the
[712] Feng-huang area there were more than 830 stone guard houses, requiring 4,000 men to man them in rotation. Further, 1,000 men were trained to be combat ready. The more than 22,000 mu of land allotted were not enough to meet the expense, and so another allotment of more than 12,300 mu at Lu-ch'i and
C Mo-yang was made. There were also 127 stone petty military
[712] stations /tiao pao/ at Kan-chou, manned by 800 soldiers, supported by more than 2,170 mu of allotted land. The original sect of government of Yung-sui, before the Miao rebellion during the reign period of Ch'ien Lung and Chia Ch'ing, was at Wei-ch'eng, which was entirely surrounded by the Miao. In the second year of Chia Ch'ing /1797/, the seat of govern-
C ment was moved to Hua-yüan with a newly built yamen.
[712] There were 126 stone guard houses with 2,000 soldiers. The people's land, i.e. Chinese land, usurped by rebels and recovered for public use, totaled more than 17,110 mu. There were over 70 stone military stations /tiao pao/, at Pao-ching, with 300 soldiers and over 2,170 mu of allotted land. There were only 18 stone guard houses at Ku-chang-p'ing with a hundred soldiers and over 120 mu of allotted land.

M The above refers to Chinese t'un /min t'un/. In addition,
*[175] there were also Miao t'un. After the suppression of the Miao
*[648] rebellion, the Miao tribes, awed by military might, surrendered
[651] all the Chinese land formerly forcefully usurped by them, and
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/115 cont./ also searched into the properties of the rebel Miao and decided to return them for public use. The forcefully usurped land totaling over 30,100 mu and the rebels' properties totaling over 5,400 mu were redistributed among the law-abiding Miao to farm. Granaries were built to collect rent /tsu/ for the maintenance of Miao soldiers. The pressing for rent, the inspecting of fields, the distribution and transportation of grain, and other duties were all the responsibility of Miao officials.

/116/ The total amount of Chinese land and Miao land given up for allotment in the seven sub-prefectures and hsiens of the Miao area was as follows: (1)

1. Hunan Miao Fang T'un Ch'eng K'ao, Chapter 7, "Chün T'un San," "Chün T'un T'ien Tu Ts'ung Shu" /"The Total Amount of Allotted T'un Land," in "Allotted T'un," 3/," numbers set after the subduing of the Miao in 1797.

1. Feng-huang Sub-prefecture
   (1) Allotted fields 22,080.6 mu (allotted in the fifth year of Chia Ch'ing /1800/).
   (2) Fields returned to public use 3,539 mu (Chinese fields usurped by the Miao but surrendered when called on and returned for public use).
   (3) Fields redeemed by the government 5,587.3 mu. (Chinese fields granted to the Miao at a low pledge but redeemed by the government for public use).
   (4) Fields usurped by the rebels surrendered by the Miao 7,650.8 mu (Miao rebels' property, wrongfully farmed by them, surrendered to the government for public use).
   (5) Usurped rebel land returned by the Miao 5,983.7 mu (same as above).

/116 cont./

(6) Private fields presented by Miao 1,595.7 mu (private property contributed by Miao after receiving an official post).

(7) Reclaimed fields 145.8 mu (barren land without crops reclaimed by soldiers).

2. Kan-chou Sub-prefecture

(1) Allotted fields 3,628.8 mu.

(2) Land redeemed by the government 776.5 mu.

(3) Usurped rebel fields surrendered by the Miao 3,487 mu.

(4) Usurped rebel land surrendered by the Miao 196.1 mu.

(5) Disputed usurped fields given up by the Miao 578.5 mu (now become public fields).

(6) Disputed usurped land given up by the Miao 48.8 mu (same as above).

(7) Private fields surrendered by Miao on request 604.6 mu.

3. Ku-chang-p'ing Sub-prefecture

(1) Allotted fields 529.7 mu.

/117/ (2) Fields redeemed by the government 93.4 mu.

(3) Usurped rebel fields surrendered by the Miao 127.8 mu.

(4) Private fields given up by other Miao 227 mu.

4. Pao-ching Sub-prefecture

(1) Allotted fields 2,178.6 mu.

(2) Fields redeemed by the government 628.6 mu.

(3) Usurped rebel fields surrendered by the Miao 1,476 mu.

(4) Usurped rebel land surrendered by the Miao 303.6 mu.

(5) Private fields presented by Miao petty officers 300.2 mu.

(6) Disputed usurped fields given over by the Miao 296.9 mu.

C 175 563 ●651 425 M *175 *648 651 425

/117 cont./

5. Yung-sui Sub-prefecture
   (1) Fields returned to public use 16,114.3 mu (Chinese fields usurped by the Miao taken back by the government for public use).
   (2) Redeemed fields 8,468.7 mu.
   (3) Rebel fields surrendered by the Miao 5,940.7 mu.
   (4) Rebel land surrendered by the Miao 9,895.7 mu.
   (5) Private fields contributed by Miao petty officers 500.4 mu.
   (6) Disputed usurped fields given up by the Miao 287 mu.
   (7) Disputed usurped land given up by the Miao 345.6 mu.
   (8) Reclaimed fields 2,545.5 mu.
   (9) Reclaimed land 10,130 mu.
6. Lu-ch'i Hsien
   (1) Allotted fields 5,382.5 mu.
7. Mo-yang Hsien
   (1) Allotted fields 6,983.1 mu.

/118/ The total of the above fields and land is 131,640.6 mu. In the thirteenth year of Chia Ch'ing /1808/ a total of 15,219.3 mu of fields and land was surveyed in the three hsien, Feng-huang, Kan-chou, and Yung-sui. In the sixteenth year of Chia Ch'ing /1811/ another total of 5,873.2 mu of fields and land was surveyed, totaling 152,157.1 mu of fields and land. Of this besides the land allocated to the army for horses and farming, land lost through floods and erosion, and also the land used for stone guard houses and surroundings, totaling 11,084.3 mu, and another 37,849 mu distributed among the t'un able-bodied males, leaders, the aged, and the young, there remained 103,223.8 mu. Farmers were recruited to farm this land and rent /in kind/ collected. The annual receipt in grain totaled 105,488 shih, three tou, and nine sheng.

C 175 563 651 M *175 *648 651

The Miao frontier region is mountainous and lacking in fields. For the most part they develop mountain slopes, building up terraced fields for the cultivation of rice grown in

/118 cont./

C 175 563 651 M 175 648 651

flooded fields. Whenever the terraced fields are damaged by flood and erosion when mountain streams flood, the damage is often beyond repair, resulting in a decrease of rent year by year. Furthermore, the government has several times decreed a reduction of rent, so that the current rent rate is only one-half of the original. Successive rent reductions undergone were as follows: in the nineteenth year of Chia Ch'ing /1814/ a reduction of 5,500 shih was made; in the first year of Tao Kuang /1821/ a reduction of 20,770 shih was made; in the eighteenth year of Tao Kuang /1838/ after an investigation of fields destroyed by flood, a reduction of 282 shih, 7 tou, 7 sheng, 6 shuo was effected; in the twenty-eighth year of Tao Kuang /1848/ a reduction of 649 shih, 1 tou, 8 sheng, 1 ho. After the above reductions there remained a rent of 78,286 shih, 4 tou, 4 sheng, 4 ho, 6 shuo. In the twenty-ninth year of Tao Kuang /1849/ there was a further reduction amounting to 7,828 shih, 6 tou, 4 sheng, 4 ho, 4 shuo, resulting in the collection of 70,457 shih, 8 tou, 1 shuo of rent. It was ruled that no further reductions would be made. It was also ordered that for every 6 ho /of grain/ there would be collected 1 sheng, but below six ho nothing would be collected, thereby causing a loss of 352 shih, 3 tou, 1 sheng, 1 shuo. Since that year the annual rent has totaled 70,105 shih, 4 tou, 9 sheng. From the twenty-ninth year of Tao Kuang /1849/ to the end of the Ch'ing dynasty, after deducting 179 shih, 4 tou, 9 sheng of rent uncollectible due to flood and erosion, the net receipt of rent totaled 69,926 shih. From the first year of the Republic /1912/ to the sixteenth or seventeenth year, the reductions due to floods totaled 2,917 shih, 4 tou, 9 sheng, 2 ho. In the twenty-second year of the Republic /1933/, according to investigations made by the authors in western Hunan, the net rent was 67,008 shih, 5 tou, 8 ho. According to a statement

C [113] in the Hsiang Hsi Miao Ch'ü T'un Fang Chün T'un T'ien T'u Yen Ke /Successive Changes in Land Allotted to Defensive T'un in the Miao Area West of the Hsiang River/, recently published by Yü Fan-ch'uan;

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C 175 /118 cont./ ●651 563 M *175 *648 651

by Yü Fan-ch'uan: "The decision of the first conference on t'un matters held in the twenty-fifth year of the Republic /1936/ was to reduce the rental on devastated land 1,592 shih, 3 tou, 8 sheng, 8 ho. Currently, the actual receipt of rent is 65,416 shih, 1 tou, 2 sheng." (1)

1. Pien Chiang /Frontier/, Vol. 2, no. 2.

(2) The Organization of T'un Defense

C 175 [701]

1. The organization of the t'un defense /system/ during the early Ch'ing dynasty.

M [701]

(1) Feng-huang Sub-prefecture. T'un second captains 3, t'un lieutenants 4, t'un sergeants 4, t'un corporals 10, supernumeraries 9, Miao second captains 11, Miao lieutenants 20, Miao sergeants 40, Miao corporals 80, general t'un leaders /tsung t'un chang/ 15, special t'un leaders /san t'un chang/ 60, home guard /lien yung/ 1,000, old and young males 1,000, able-bodied t'un males /t'un ting/ 4,000, Miao soldiers 1,000, t'un camps 27, Miao camps 25, stone houses 544, t'un guard houses 105, guard stations 51, patrol stations 98, canon emplacements 7, gates 24, gate houses 5. The above stone houses, guard houses, guard stations, patrol stations, gun emplacements, gates, and gate houses totaled 834 units. There were 63 t'un and Miao granaries, and the fixed rent was 25,461 shih, 3 tou, 9 sheng, 6 ho, 8 shuo. Shotguns numbered 7,022, swords 300, spears 100, and hand guns /shou p'ao/ 40. The above guns, swords, and spears amounted to 16,229 weapons.

C [712] C [651] C [713]

C [701]

(2) Kan-chou Sub-prefecture. T'un second captain 1, t'un sergeant 1, t'un corporals 2, t'un supernumeraries 2, Miao second captains 4, Miao lieutenants 6, Miao sergeants 13, Miao corporals 13, Miao corporals 25, general t'un leaders 4, special t'un leaders 21, able-bodied t'un males 600, Miao soldiers 800, t'un camps 8, Miao camps 10, stone houses 75,

M [701]

C [712]

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C 175 [712] /119 cont./ t'un guard houses 13, guard stations 28, gun emplacements 4, gates 5, gate houses 2. The above stone houses, guard houses, guard stations, patrol posts, gun emplacements, gates, and gate houses totaled 128 units. There were 11 t'un and Miao granaries, and the set rent was 7,725 shih, 1 tou, 3 sheng, 2 ho, 9 shuo. Shotguns were 3,244, hand guns 10, swords 100, spears 395. The above weapons totaled 5,841 weapons.

C [651] [713]

C [701] M [701] C [712] (3) Yung-sui Sub-prefecture. T'un second captains 2, t'un lieutenants 2, t'un sergeants 3, t'un corporals /120/ 3, t'un supernumeraries 3, Miao second captains 12, Miao lieutenants 28, Miao sergeants 57, Miao corporals 115, general t'un leaders 12, special t'un leaders 33, t'un males 2,000, old and young males 800, Miao soldiers 1,800, t'un camps 13, Miao camps 19, stone houses 67, t'un guard houses 20, guard stations 29, gates 8, gate houses 3. The above stone houses, guard houses, guard stations, gates, and gate houses totaled 127. There were 21 t'un and Miao granaries, and the set rent was 29,756 shih, 6 tou, 4 sheng, 8 ho, 8 shuo, 3 ch'ao. There were 4,915 shotguns, 190 swords, 3,295 spears, totaling 14,300 weapons.

C [651] [713]

C [701] M [701] (4) Ku-chang-p'ing Sub-prefecture. T'un sergeant 1, t'un supernumerary 1, Miao second captain 1, Miao lieutenant 2, Miao sergeant 4, Miao corporal 12, general t'un leader 1, special t'un leaders 4, t'un males 100, Miao soldiers 100, Miao camps 4, stone houses 15, guard stations 4. The above stone houses, guard houses, and guard stations totaled 19.

C [712] [651] [713] There were 3 t'un and Miao granaries, with a set rent of 523 shih, 7 tou, 1 sheng, 3 ho, 5 shuo, 3 ch'ao. There were 655 shotguns, 369 swords, and 368 spears, totaling 1,828 weapons.

[701] M [701] (5) Pao-ching Hsien. T'un corporals 2, t'un supernumeraries 2, Miao second captains 4, Miao lieutenants 9, Miao sergeants 12, Miao corporals 31, general t'un leaders 3, special t'un leaders 12, t'un males 300, Miao soldiers 300, t'un camps 2, Miao camps 12, stone houses 30, t'un guard houses 30, guard stations 25, gate 1, gate house 1. The stone houses,

C [712]

C /120 cont./
175 guard houses, guard stations, gate, and gate houses totaled 70.
712 There were 9 t'un and Miao granaries, the set rent was 4,023
651 shih, 1 tou, 1 sheng, 4 ho, 2 shuo. There were 552 shotguns,
[713] 684 swords, and 844 spears, totaling 2,938 weapons.

(6) Mo-yang Hsien. General t'un leaders 2, special t'un
C leaders 10; t'un granaries 11, set rent 7,323 shih, 7 tou, 5
[701] sheng, 5 ho, 8 shuo, 5 ch'ao.

(7) Lu-ch'i Hsien. General t'un leaders 3, special t'un leaders 20, t'un granaries 13, set rent 4,414 shih, 6 ton, 1 sheng, 8 ho, 9 ch'ao.

C /121/ The above seven sub-prefectures and hsiens had a
175 total of 56 t'un officers, 486 Miao officers, 200 t'un leaders,
[701] 1,000 home guards, 7,000 t'un males, 1,800 old and young
M males, and 5,000 Miao soldiers. There were 120 t'un and
[701] Miao camps, 731 stone houses, 151 t'un guard houses, 137
C guard stations, 99 patrol posts, 11 gun emplacements, 38 gates,
[712] and 11 gate houses. The above stone houses, guard houses,
C guard stations, patrol posts, gun emplacements, gates, and gate
[65] houses totaled 1,178. There were altogether 131 t'un and
[713] Miao granaries; the set rent was 79,218 shih, 3 tou, 9 sheng. There were in all 16,388 shotguns, 50 hand guns, 1,643 swords, and 5,002 spears, totaling 41,136 weapons.

C 2. Regulations for the organization and administration
701 of the T'un Bureau from the headquarters of the newly organized Thirty-Fourth Division of the Army.

Article 1. The said Bureau is to be organized on the order of Divisional Commander Ch'en of the newly organized Thirty-Fourth Division.

Article 2. The said Bureau shall set up, according to the temporary organization regulations of the Division, a chief and a deputy chief, three department heads, a number of departmental staff, clerks, and copyists.

Article 3. The chief of the Bureau will receive orders from the Commander of the Division, and will have general superintendence over the t'un army west of the Hsiang River,
C and Miao defense officials and soldiers, t'un grain supplies,
[563]

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/123 cont./

C 701 425 651 The t'un fields in the Miao frontier were divided into people's /i.e. Chinese/ t'uns and Miao t'uns, the two being entirely different in nature. The t'un males working on the Chinese t'uns were also divided into t'un men and fighting men. The t'un men received fields to cultivate, and guarded the t'un guard houses. The fighting men, also called home guards, were solely trained for military operations, and did not farm. In the five sub-prefectures and hsiens of the Miao frontier there are 7,000 t'un men, from among whom are appointed hsiao-ch'i, tsung-ch'i, and pe-tsung to facilitate control. The distribution of fields was as follows: the men /san ting/ are each given 4.5 mu; the hsiao-ch'i, 5.5 mu; the tsung-ch'i, 6.5 mu; and the pe-tsung, 7.5 mu. There are 1,000 fighting men, each being given 3 shih, 6 tou of rice per year. The non-fighting men are also each given annually 10.8 liang of silver for salt and vegetables. The hsiao-ch'i receives each year 12 liang of silver; the tsung-ch'i, 13.2 liang of silver; the pe-tsung, 16.8 liang of silver. Therefore, in the Chinese t'un, the fields and land left over after the t'un men have received their fields to plant and care for are leased out for the collection of rent. Granaries (Illus. 57) have been built to store the grain, and general t'un leaders are set up to manage these matters. There C 701 425 651 are no t'un men in the Miao t'uns, and the t'un fields are allotted to people to cultivate /Illus. 57 and 58 on pages 124 and 125/ /126/ for the collection of rent, in order to feed the Miao soldiers, under the control of the Miao officials. The t'un fields 563 M 701 648 [425 177] in the Miao frontier region, at the inception of the system, totaled 150,000 mu of arable land, of which barely a third was directly cultivated by t'un personnel, the rest being allotted out as rented fields. Today, the t'un army in the Miao frontier region is about 1,000 strong. The maintainance of the Black Flag Battalion of the Miao troops (Illus. 58) largely comes from the rented fields. T'un fields were set up to support troops on the spot as a defense against the Miao. Today, the Miao have been largely acculturated by the Chinese and the boundary line between the Miao and the Chinese is gradually becoming obliterated. [text continues on p 185]

2:Ling & Ruey--185 E-5 (1933) 1947 AE5 Miao AE5
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/126 cont./

000 obliterated. There is no longer the need for this kind of system
C of t'un defense against the Miao. In fact, unrest in the Miao
563 area today is often due to the maladministration of the t'un
469 fields system. The Miao petty officers and the t'un leaders
[425 often are oppressive in collecting rent and sometimes are corrupt
651] in their methods, thus causing dissatisfaction and disturbances.
M In the twenty-sixth year of the Republic /1937/ the Miao re-
648 bellion in western Hunan arose because of the t'un land system.
[429 It resulted in the burning of t'un granaries and killing of t'un
701] officers. Although the rebellion was pacified only after bloody and expensive campaigns, it is imperative to change the t'un and enter the newly opened or reclaimed land as available for taxation, so as to reach a fundamental solution.

/127/

CHAPTER EIGHT

MAGIC AND RELIGION

M
121 The Englishman, Bronislaw Malinowski, has said: "There
771 are no people however primitive without religion and magic. Nor are there, it must be added at once, any savage races lacking either in the scientific attitude or in science, though this lack has been frequently attributed to them. In every primitive community, studied by trustworthy and competent observers, there have been found two clearly distinguishable domains, the Sacred and the Profane; in other words, the domain of Magic
000 and Religion and that of Science." (1) According to the report

1. Malinowski: "Wu-shu K'o-hsüeh yü Tsung-chiao /Magic, Science and Religion/," paper in Science, Religon and Reality by